



**Glasgow City Council**

**Contracts and Property Committee**

**Report by Director of Governance and Solicitor to the Council**

**Item 4**

27th February 2020

**Contact: Elaine Galletly Ext: 74653**

**The Collection, Processing and Recycling of Material Recycling Facility  
Off-takes and Fines**

**Tender Reference :- GCC004905CPU**

**Purpose of Report:**

To submit details of the tenders received for the collection, processing and recycling of Material Recycling Facility Off-takes and Fines and recommend acceptance of the most economically advantageous tender as detailed in this report.

**Recommendations:**

The Contracts and Property Committee is requested to approve the award of a contract for the collection, processing and recycling of Material Recycling Facility Off-takes (MRF) and Fines to the supplier listed below.

Lowmac Alloys Limited

Ward No(s):

Citywide: ✓

Local member(s) advised: Yes  No  consulted: Yes  No

## **1 Background and Tender**

- 1.1 Glasgow City Council's ("the Council") current annual spend for the collection, processing and recycling of material recycling facility off-takes and fines is £1,028,685.
- 1.2 Neighbourhoods and Sustainability (NS) provide a comingled dry mixed recycling collection service to approximately 300,000 households throughout the city with the collected recyclables taken to the Council's Material Recycling Facility (MRF) in Blochairn. A recycling service is also provided to commercial properties.
- 1.3 Approximately 24,000 tonnes of dry mixed recyclables, per annum, is collected from domestic and commercial properties. The target materials within the service include:
  - Mixed papers
  - Card and cardboard
  - Plastic bottles
  - Food and drink cans
- 1.4 The contents are processed through the MRF, however not all materials are captured and an 'offtake' fraction is produced.
- 1.5 The offtake fraction will contain target materials not recovered for recycling by the MRF, non-target materials e.g. recyclable items such as other plastic waste streams that are not targeted for collection by the Council's dry mixed recycling collection service and non-recyclable material e.g. general waste.
- 1.6 The Council requires a supplier to collect this offtake fraction and treat it further to ensure that as much of the material as possible is recovered and recycled thus avoiding being sent to landfill.
- 1.7 A commodity team consisting of stakeholders from NS and Corporate Procurement Unit (CPU) was formed to develop the sourcing strategy and deliver a new contract.
- 1.8 The contract was developed as a single lot sole supplier contract as it would be operationally difficult to manage multiple suppliers. It was also considered that multiple suppliers would not provide best value to the Council.
- 1.9 It was agreed that an invitation to tender under Scotland Excel's Dynamic Purchasing System (DPS) for Recyclable and Residual Waste 27/17, Lot 22 - Treatment and Disposal of MRF Offtakes, would be the most appropriate method to deliver this contract.
- 1.10 The duration of the contract is from 13<sup>th</sup> March 2020 to 12<sup>th</sup> March 2023 with an option to extend for a further period of up to 12 months.
- 1.11 The contract will be utilised by NS.

## 2 Evaluation

- 2.1 It was a mandatory requirement within the tender for bidders to collect a trial load from the MRF offtake fraction prior to submitting a bid, in order to ensure the bidder had an informed knowledge of the composition of the waste.
- 2.2 All 29 suppliers in Lot 22- MRF Offtakes were invited to tender. Of the 29 invited, 18 accessed the tender and 3 suppliers collected a trial load or loads. 2 suppliers submitted a bid.
- 2.3 The award evaluation was based on the following criteria:-

Price	Quality	Quality Sub Criteria
65%	35%	Quality 30%
		Fair Work Practices (including the Real Living Wage) 5%

- 2.4 The evaluation score and value of award for the supplier which has been recommended for award is shown in the table below:-

Supplier	Total Evaluation Score	Value (per annum)	Total Value (4 years)	Rank
Lowmac Alloys Limited	92.4	£1,273,125	£5,092,500	1

A summary of the unsuccessful tender evaluation results can be found at Appendix A.

- 2.5 NS will monitor the supplier's day to day operational performance. Overall contract and supplier performance will be managed by the CPU. This includes a robust Key Performance Indicator which has set a landfill diversion target of a minimum of 90%

## 3 Policy and Resource Implications

### Resource Implications:

#### *Financial:*

The contract will be funded from the NS Revenue budget.

The tender bid resulted in an estimated annual value of the contract of £1,273,125. Further clarification resulted in this figure being reduced to £1,247,662. The new contract will result in an annual price increase of 21% based on the current contract price.

This increase is in the main in relation to the highly volatile European and global recycling markets for selling commodities.

Impending policies within the waste resource sector will also impact on the value of the materials within the off-takes e.g. implementation of a Deposit Return Scheme, which will remove higher value materials from the off-takes e.g. aluminium/steel cans, PET plastic bottles. The Scottish Government's extension to the landfill ban has also had an effect on the market pricing.

*Legal:*

The report raises no new legal issues.

The Director of Governance and Solicitor to the Council will require to conclude the agreement.

*Personnel:*

There are no direct personnel implications for this project.

*Procurement:*

A tender process was the most appropriate method as specified in paragraph 1.9 above.

**Council Strategic Plan:** This procurement supports a number of key priorities in the Council's Strategic Plan (2017-2022) under the following themes

A Sustainable and Low Carbon City - (Priority 64)

This contract aims to improve the city's cleanliness and recycling rates as the premise of the contract is to divert 9,000 tonnes of waste from going to landfill by setting a landfill diversion target of 90%.

As part of the quality evaluation, bidders were evaluated on how they would maximise recycling.

A Thriving Economy, priority 4 and 5.

The priorities were supported within the framework by applying the undernoted evaluation criteria weightings /conditions :

Fair working Practices – 5%  
Community Benefit – Mandatory Non Scored

The deliverables for each of the priorities are listed below within the Sustainability Impact section.

### **Equality and Socio-Economic Impacts:**

*Does the proposal support the Council's Equality Outcomes 2017-22*

No EQIA was undertaken as there was no change to NS policy or service provision.

*What are the potential equality impacts as a result of this report?*

There are no significant impacts identified at this point.

*Please highlight if the policy/proposal will help address socio economic disadvantage.*

Both Community Benefits and Fair Work Practices were accounted for in the procurement exercise and outcomes can be seen below.

### **Sustainability Impacts:**

*Environmental:*

The supplier recommended for award confirmed that it was accredited with both ISO 14001 and ISO 9001.

*Social opportunities, including Article 20 of the European Public Procurement Directive*

The winning bidder confirmed that it has a code of practice agreed by the Directors and Employees to delivery Fair Employment Procedures. This relates to all areas of employment including recruitment, pay, terms and conditions of service, promotion, development and training.

The winning bidder is not an accredited real living wage employer however the council will encourage them through the life of the contract to achieve this objective.

Article 20 is not applicable as there are no known supported businesses in the market place which can provide the service requirements.

*Economic:*

The preferred bidder has committed to the provision of the following Community Benefits outcomes as part of the contract:

1 x New Entrant Job – Youth Employment Initiative.

1 x New Entrant Modern Apprenticeship.

1 x Work Experience Placement 16+ years of age.

1 x Work Experience Placement 14 -16 years of age.

1 x Work Experience Placement Graduate/Student.

1 x Careers Event, Industry Awareness Days or Workshops for school pupils or college students.

1 x Workplace Visits for School Pupils or College Students

1 x Business Mentoring for Small Medium Enterprise (SME)

2 x £1,000 Financial Support for Community Project

2 x 5hrs Non - Financial Support for Community Project

**Privacy and Data Protection impacts:**

No data protection impacts identified.

**4 Recommendations**

The Contracts and Property Committee is requested to approve the award of a contract for the Collection, Processing and Recycling of Material Recycling Facility Off-takes and Fines to the supplier listed below.

Lowmac Alloys Limited

## Appendix A

<b>Supplier</b>	<b>Total Evaluation Score</b>	<b>Rank</b>
Enva Scotland Limited	89.9	2